



# INDRAPRASTHA GAS LTD.

ISIN CODE: INE203G01027

BSE: 532514

NSE: IGL

CMP: 518.40

## OVERVIEW

Tue, 5<sup>th</sup> Oct '21

- Indraprastha Gas Limited is one of India's leading natural gas distribution companies (CGD).
- Incorporated in the year 1998, It is a Large Cap company (having a market cap of Rs 36,288 Crore) operating in Gas & Petroleum sector.
- The Company is a joint venture promoted by GAIL (India) Limited and Bharat Petroleum Corporation Limited (BPCL).
- Government of NCT of Delhi is also a stakeholder with 5% equity.
- Its majority of portion of the revenue accrues from CNG sales (around 70% of the revenue).

## ASSOCIATE COMPANIES

- **Central U. P. Gas Limited (CUGL):**
  - CUGL operates in Kanapur, Bareilly, Jhansi and Unnao in Uttar Pradesh.
  - IGL holds 50% of the paid-up equity share capital of CUGL.
- **Maharashtra Natural Gas Limited (MNGL):**
  - Operates in Pune, Pimpri, Chinchwad, Chakan, Talegaon and Hinjewadi, Nasik GA, Sindhudurg and Ramanagara.

## ACHIEVEMENTS

- Company has no debt since last five years.
- Provided more than 3.10 Lacs new connections the highest number of connections in a single financial year in the history provided by any CGD.
- Has converted all polluting industries located in NCT of Delhi on to PNG
- Installed more than 250 connections in Defence Establishments in Delhi Cantt.
- Board of Directors recommended a dividend of 180% i.e. Rs. 3.60 per share, which is the highest dividend in the history of the Company.

## OPPORTUNITIES OF GROWTH

- **Expansion in new geographical area:** The Company continues to look for expansion opportunities in new geographical areas.
- **Green corridors:** Establishing CNG/LNG stations alongside highways to provide opportunities to the Company to increase its CNG sales volumes.
- **Merger/acquisition of stake in other CGD Companies.**
- **Benefits of cost:** The conversion of vehicles to CNG mode is likely to increase as CNG is economical when compared to other liquid fossil fuels such as petrol/ diesel.
- **Smart Cities:** Due to rapid urbanization and also government initiatives to build smart cities, these cities will feature robust infrastructure of clean and efficient fuel which is likely to add to the growth prospects of the Company.
- **Reduction in carbon footprint:** Increased focus on reducing carbon emissions by judiciary, central and state governments which will promote eco-friendly fuels i.e. CNG and PNG.

## FUTURE OUTLOOK

- Working on opening of new avenues by setting up of its own Compressed Biogas Plants under Gobardhan scheme & Waste to Energy initiatives of the government.
- Exploring the possibilities of putting up Green Hydrogen generation plant for blending with natural gas.
- Exploring conversion of Long Haul Transport from Diesel to CNG of various State Transport Undertakings (STU's) and Private Transporters towards conversion of their vehicles on CNG.
- Looking forward to setup Electric Vehicles (EV) charging facilities at various sites (including IGL CNG Stations).

## SUMMARY OF FINANCIALS

- Gross turnover reduced from Rs. 7131.29 Cr. in FY2019-20 to Rs. 5408.91Cr. in FY2020-21.
- PAT reduced from Rs. 1136.54 Cr. in FY2019-20 to Rs. 1005.65 Cr. in FY2020-21.
- EPS showed decline of 12% from Rs. 16.24 in FY 2019-20 to Rs. 14.37 in FY 2020- 21.
- Net worth as on 31st March 2021 was Rs. 5871.85 Crores as compared to Rs. 5062.36 Crores as at 31st March 2020.

**Disclaimer:** The analysis is only for information purposes only. Please consult your financial advisor, agent and broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates % (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue	-23.8	2.9	6.0	11.0
Operating Income	-6.2	8.0	14.0	11.8
Earnings/Share	-6.1	17.6	20.7	16.3
Dividends	16.7	41.0	18.5	12.0
Book Value/Share	18.2	20.2	19.8	20.2
Stock Total Return	36.0	33.5	25.6	20.2
Market +/-	8.2	21.5	15.3	11.1

Valuation Ratio	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	25.7	28.0	24.0	15.2
Forward P/E	22.2	-	-	-
Price/Cash Flow	23.5	21.7	-	9.9
Price/Free Cash Flow	54.7	49.2	-	-
Dividend Yield %	0.7	.07	.09	2.8
Price/Book	5.7	5.6	4.6	2.1
Price/Sales	6.5	4.2	3.4	-

Profitability Ratio	Current	5Yr Avg	Ind.	Mkt.
Return on Equity	-	22.1	19.1	15.4
Return on Asset	-	15.7	11.9	5.6
Gross Margin	45.3	36.1	26.5	-
Operating Margin	26.7	20.8	19.8	-
Net Margin	25.5	17.9	14.3	21.4
Inventory Turns	-	63.7	23.2	-
Fixed Asset Turns	-	1.6	1.3	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	6,677	903
Inventories	511	456
Receivables	—	—
Current Assets	24,976	30,995
Fixed Assets	43,217	51,523
Intangibles	182	171
Total Assets	75,444	90,500
Payables	6,887	10,107
Short-Term Debt	—	—
Current Liabilities	17,955	23,522
Long-Term Debt	—	—
Total Liabilities	21,864	27,156
Total Equity	53,580	63,344

Source: Company filings & Analyst Research